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**BEACON HILL NORTH DEVELOPMENT CENTER
DECLARATION OF
RECIPROCAL EASEMENTS AND OPERATING COVENANTS**

This Beacon Hill North Development Center Declaration of Reciprocal Easements and Operating Covenants ("REA") is made ~~on the 31st~~ ^{on the 31st} day of ~~June~~ ^{July} 2012, by and among KRG/I-65 Partners Beacon Hill, LLC, an Indiana limited liability company ("Developer"); R2C Crown Point, LLC, an Indiana limited liability company ("R2C"); and NHI Bickford RE, LLC, a Delaware limited liability company ("Bickford").

RECITALS

A. The subject matter of this REA is certain real estate situated in the City of Crown Point, Lake County, Indiana (the "City"), consisting of 36.81± acres, legally described as set forth in **Exhibit A** to this REA (the "North Development Property"). For purposes of this REA, the North Development Property is further divided as follows:

- The 4.31± acres which has been subdivided into three (3) lots by the recordation of the Final Subdivision Plat, Beacon Hill Phase Two in the Office of the Recorder of Lake County, Indiana ("Phase Two Plat"), which real estate is more particularly described as follows:

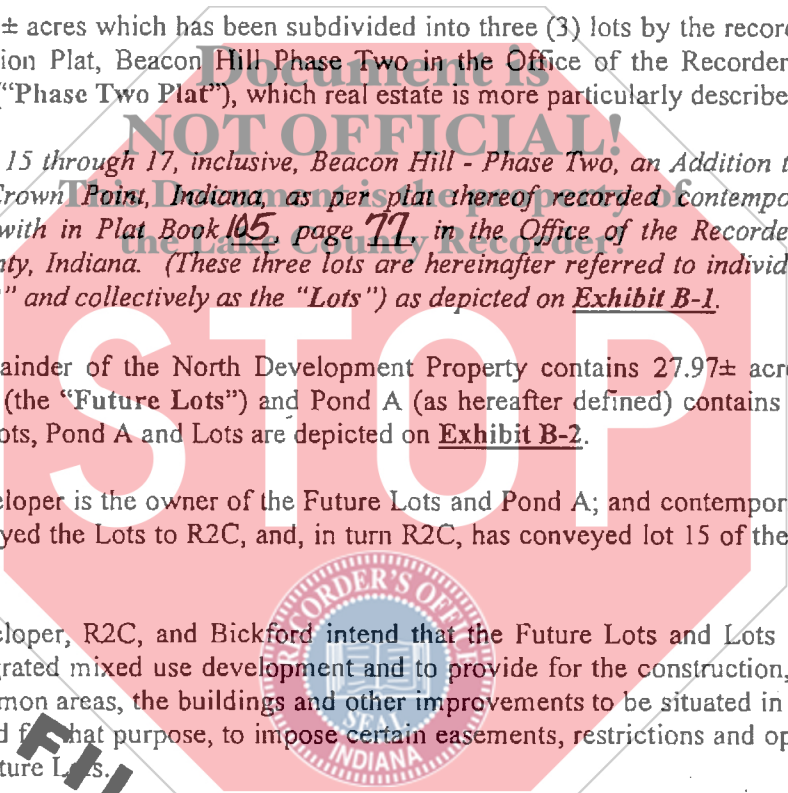
Lots 15 through 17, inclusive, Beacon Hill - Phase Two, an Addition to the City of Crown Point, Indiana, as per plat thereof recorded contemporaneously herewith in Plat Book 105, page 77, in the Office of the Recorder of Lake County, Indiana. (These three lots are hereinafter referred to individually as a "Lot" and collectively as the "Lots") as depicted on Exhibit B-1.

- The remainder of the North Development Property contains 27.97± acres of developable property (the "Future Lots") and Pond A (as hereafter defined) contains 4.53± acres. The Future Lots, Pond A and Lots are depicted on **Exhibit B-2**.

B. Developer is the owner of the Future Lots and Pond A; and contemporaneously herewith Developer has conveyed the Lots to R2C, and, in turn R2C, has conveyed lot 15 of the Lots to Bickford; and

C. Developer, R2C, and Bickford intend that the Future Lots and Lots be developed and improved as an integrated mixed use development and to provide for the construction, maintenance and operation of the common areas, the buildings and other improvements to be situated in the Development, and in that regard and for that purpose, to impose certain easements, restrictions and operating covenants upon the Lots and Future Lots.

NOTWITHSTANDING, Developer, R2C, and Bickford hereby agree that the North Development Property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the North Development Property and be binding on all parties having any right, title or interest in the North Development Property, in any part thereof, their heirs, personal representatives, successors and



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assigns and shall inure to the benefit of Developer and each Owner (as hereafter defined) thereof; and in consideration of the premises, the promises and covenants of the parties hereto, the mutual benefits and advantages accruing to them, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 **DEFINITIONS**

As used in this REA, the following terms have the following meanings:

Section 1.1 **Allocable Share.** “**Allocable Share**” shall have the meaning set forth in **Section 6.2 and 6.3.**

Section 1.2 **Common Area.** “**Common Area**” means an area, element or facility (a) within the boundaries of the Development and designated on any existing or future plat of the North Development Property as Common Area (or words of similar import) or (b) designated in writing by Developer as Common Area in any recorded instrument. Common Areas may be further delineated by any plat or designation of Developer as either General Common Areas or Limited Common Areas, as defined herein, and the term Common Area, without further delineation shall include both General Common Areas and Limited Common Areas.

Section 1.3 **Common Area Access Roadways.** “**Common Area Access Roadways**” means all the platted roadways within the Development (whether public or private) which serve all Lots and Future Lots and which do not constitute Limited Common Areas; together with those traffic control facilities located in the Development that affect traffic flow and control on adjacent public streets and rights of way, which have not been deeded or dedicated to the City.

Section 1.4 **Common Area Improvements.** “**Common Area Improvements**” means all improvements, including but not limited to Common Drainage Facilities, Common Area Access Roadways and Common Signage hereinafter constructed within the Development, to be used in common by two or more Owners, Tenants and Permittees, whether or not located wholly or in part in any Common Area.

Section 1.5 **Common Drainage Facilities.** “**Common Drainage Facilities**” means storm drainage facilities, detention/retention ponds, situated within drainage easements shown on any plat and/or within any Common Area of the Development, or otherwise servicing the Development or installed for the benefit of the Development.

Section 1.6 **Common Signage.** “**Common Signage**” means any signage located on any Common Area for common use by two or more Owners.

Section 1.7 **Developer.** “**Developer**” as used herein shall refer to KRG/I-65 Partners Beacon Hill, LLC, whether or not it is an Owner hereunder and any future assignee of all or any part of the Developer’s rights herein as evidenced by a written assignment. It is agreed and acknowledged that Developer’s rights and obligations hereunder are assignable without any consent of the Owners and may, at Developer’s option, be collaterally assigned in connection with any loan obtained by Developer secured by any of the land comprising the Development. Developer may also record a supplemental declaration establishing an owner’s association and in connection therewith assign to such owner’s association one or more of Developer’s rights and obligations hereunder.

Section 1.8 Development. “Development” means the Lots and Future Lots, together with all buildings and other improvements constructed at any time thereon.

Section 1.9 General Common Area. “General Common Area” means any Common areas, elements and facilities within the Development for the use of all Owners, Tenants and Permittees. As of the date hereof, the only General Common Area is the Common Access Roadway commencing at 107th Avenue (a/k/a Beacon Hill Parkway) and extending northward to a point approximately 15 feet north of the of the north property line of Lot 17 as shown on the Phase Two Plat. The operation, maintenance and repair costs of the extended roadway shall be allocated to Owners as a General Common Area Operating Cost (as hereafter defined) in accordance with **Article 6**.

Section 1.10 Limited Common Area. “Limited Common Area” means areas, elements and facilities within the Development which are used exclusively by a limited number of Owners, Tenants and Permittees and not available for use by all Owners, Tenants and Permittees. As of the date hereof, the following Limited Common Areas are subject to this REA and the Owners, Lots and Future Lots to whom they are appurtenant are designated as follows:

(a) Limited Common Area One. This Limited Common Area is common only to the Lots. This Limited Common Area consists of:

- (i) The sanitary sewer utility line and components located along a part of the southern portion of lot 15 of the Lots and along the shared boundaries of lots 15 and 16 and lots 15 and 17 of the Lots.
- (ii) The drainage easement, lines, and components located on part of the western portion of Lot 15, extending north from 107th Avenue, designed to provide storm sewer service to Lots 15, 16 and 17.
- (iii) The private roadway extending east from the western boundary of lots 16 and 17 along the common boundary of those Lots to the western boundary of lot 15, intended as a means of ingress and egress for the Lots.

(b) Limited Common Area Two. This Limited Common Area is common only to lots, 15, 16 and 17 of the Lots and that portion of the Future Lots that are tributary to the detention pond located to the east of Phase 2 and consists of the storm water management pond (and related Common Drainage Facilities) located to the east of Phase 2 and identified on the Phase 2 Minor Plat as “Existing Appurtenant Drainage Easement Beacon Hill - Phase One (Plat Book 97, Page 46)” (“Pond A”). It is anticipated that Pond A will be incorporated into a future plat of the Future Lots.

(c) Limited Common Area Three. This Limited Common Area is common only to lots 16 and 17 of the Lots. This Limited Common Area consists of a water utility line and components located along the western portion of lots 16 and 17 extending north from 107th Avenue, designed to provide water service to lots 16 and 17.

Section 1.11 lot. “lot” when used in its lower case form shall refer to the platted lot or other parcel of real estate owned by an Owner in the North Development Property.

Section 1.12 Owners. “Owner” shall mean and refer to the record owner of a fee simple title to any portion of the North Development Property, but excluding those having such interest merely as security for the performance of any obligation. If a Lot or Future Lot is leased in its entirety to a single Tenant, the Owner of said Lot or Future Lot may assign its rights and obligations with respect to such Lot or Future Lot pursuant to this REA to such Tenant, provided that it gives contemporaneous written notice

of such assignment to the other Owners; and provided further that in all events Owner shall remain primarily liable hereunder. In the event of such assignment, the other Owners shall be entitled to treat the assignee as an Owner for the purposes of enforcing the terms of this REA.

Section 1.13 Permittee. "Permittee" means a Tenant and their respective officers, directors, employees, agents, partners, contractors, subcontractors, customers, visitors, invitees, licensees and concessionaires having business purposes within the Development.

Section 1.14 Person. "Person" or "Persons" mean individuals, partnerships, trusts, associations, corporations, limited liability companies, and any other form of business organization, or one or more of them, as the context may require.

Section 1.15 Tenant. "Tenant" means a Person with a possessory interest in a Lot or Future Lot pursuant to a lease or license agreement with an Owner.

ARTICLE 2 EASEMENTS

Section 2.1 Developer's Reserved Easements. Notwithstanding any provisions contained in the REA to the contrary, Developer hereby expressly reserves until itself and its successors and assigns a nonexclusive, perpetual right, privilege, and easement with respect to the North Development Property for the benefit of Developer, its successors, and assigns, over, under, in, and/or on the North Development Property, without obligation and without charge to Developer, for the purposes of construction, installation, relocation, development, sale, maintenance, repair, replacement, use, and enjoyment, and/or otherwise dealing with the North Development Property. The reserved easement shall constitute a burden on the title to the North Development Property and specifically includes, but is not limited to:

(a) The right of access, ingress, and egress for vehicular and pedestrian traffic over, under, on, or in the North Development Property, and the right to tie into any portion of the North Development Property with driveways, parking areas, and walkways; and the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain, and repair any device which provides utility or similar services, including, without limitation, electrical, telephone, cable television, natural gas, water, sewer, and drainage lines and facilities constructed or installed in, on, under, and/or over the North Development Property. Upon construction of a Building (as hereafter defined) on any Lot or Future Lot, the easement rights granted in this **Section 2.1(a)** shall be restricted to those portions of any Lot or Future Lots upon which no Building is constructed.

(b) The right, but not the obligation, to enter into cross-easement agreements with owners of adjoining properties.

(c) The right to construct, install, replace, relocate, maintain, repair, use, and enjoy signs, sales offices, construction offices and business offices as, in the sole opinion of Developer, may be required, convenient, or incidental to the development of the North Development Property by Developer.

(d) No rights, privileges, and easements granted or reserved herein shall be merged into the title of any property, but shall be held independent of such title, and no such right, privilege, or easement shall be surrendered, conveyed, or released unless and until and except by delivery of a Quit Claim deed from Developer releasing such right, privilege, or easement by express reference thereto.

(e) The rights, privileges and easements granted in this **Section 2.1** will not be exercised in a manner that materially adversely affects the rights of an Owner's use or enjoyment of their lot or the business located thereon.

Section 2.2 Easements for Utilities. There are hereby reserved to the Developer blanket easements upon, across, above, and under all property within the North Development Property for access, ingress, egress, installation, repairing, replacing, and maintaining all utilities serving the North Development Property or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone, and electricity, as well as storm drainage and any other service such as, but not limited to, a master television antenna system, cable television system, or security system which the Developer might decide to have installed to serve the North Development Property. It shall be expressly permissible for the Developer or its designee, as the case may be, to install, repair, replace, and maintain or to authorize the installation, repairing, replacing, and maintaining of such wires, conduits, cables, and other equipment related to the providing of any such utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Developer shall have the right to grant such easement. Upon construction of a Building on any Lot or Future Lot, the easement rights granted in this **Section 2.2** shall be restricted to those portions of any Lot or Future Lots upon which no Building is constructed.

No trees may be planted or maintained in such a way as to interfere with public utility poles, wiring or drainage, or that may change the direction of drainage channels in the easements, or that may obstruct or retard the flow of water through drainage channels in the easements. The easement areas of each Parcel and all improvements therein shall be maintained continuously by the Owner of the Parcel, except for those improvements for which a public authority or utility company is responsible.

In addition to any other remedies herein provided, the Developer, their successors and assigns, or any utility company maintaining such utilities, shall have the right without prior notice to an Owner, to enter the North Development Property and trim or remove the said trees or shrubbery so interfering. Additional drainage and utility easements, which are likewise so reserved with the Developer, its assigns or successors, may be set forth in any recorded plat or plats of the North Development Property.

Section 2.3 Platted Easements. There is hereby reserved for Developer and the Owners of any Lots or Future Lots an easement in and to any and all (a) platted roadway easements for vehicular and pedestrian ingress and egress; (b) platted utility easements for the installation, connection, operation, maintenance, repair and replacement of underground utility lines to service the North Development Property; (c) platted drainage easements for the installation, connection, operation, maintenance, repair and replacement of underground drainage pipes and structures provided that retention and/or detention facilities shall only be located in platted drainage easements specifically designated for such purposes.

Section 2.4 Phase Two Plat. Developer hereby agrees that, upon approval of the Owners' plans for the Lots, it will waive in writing the blanket easements reserved above in **Sections 2.1(a) and 2.2.**

**ARTICLE 3
PLANS OF THE PARTIES**

Section 3.1 Plans of the Parties. Not later than ninety (90) days prior to the commencement of construction of any building on its Lot, Future Lot, or any Common Area (hereafter, a "**Building**"), each Owner shall complete and deliver to Developer three (3) complete sets of the following materials, (collectively, the "**Owner's Plans**"): a site plan showing in detail the location of all structures, parking configurations, drive areas and refuse/dumpster facilities; an architectural rendering of its Building showing the exterior appearance of the Building; and such additional material and drawings as Developer

shall request. The architectural rendering shall, at a minimum, include the following: building structure elevations; rooftop equipment and profiles; doors, windows, light fixtures, canopies, overhangs and columns (design, type and location); landscape specifications; all signage attached to the subject Building and/or situated on the subject property (design, location and illumination system); exterior finish material (design, type and color); exterior mechanical systems; refuge/dumpster screening devices; and, any other item that will impact the aesthetic aspects of the Building.

Within thirty (30) days after receipt of Owner's Plans, Developer shall notify the Owner of any failures of the Owner's Plans to meet with Developer's reasonable approval. The Owner shall, within thirty (30) days after receipt of any such notice, cause the Owner's Plans to be revised to the extent necessary to obtain Developer's approval and to be resubmitted for such approval. When Developer has approved the original or revised Owner's Plans, Developer shall initial and return one (1) set of approved Owner's Plans to the Owner marked or stamped "approved" (the "**Approved Plans**"). The Owner shall not commence construction of its Building until Developer has approved Owner's Plans.

The review and approval of Owner's Plans shall not be deemed to be an assumption of responsibility by Developer for the accuracy, sufficiency, or propriety of Owner's Plans, pursuant to applicable laws, rules, ordinances, or regulations. If the Approved Plans are changed as a result of conditions placed on an Owner as a prerequisite to obtaining a permit, Owner shall submit such changes for approval, and the Owner shall not proceed further with the affected portions of its work until Developer has approved the changes. Such changes as are approved shall become part of the Approved Plans.

Section 3.2 Development to be Architecturally Harmonious. Each Owner shall cause its Building to be constructed and maintained in compliance with the technical requirements of this REA and the Approved Plans. The design and exterior of any Building shall blend harmoniously and attractively with all other Building(s) within the Development so as to provide the appearance of an integrated mixed use development. The Owners agree that Developer shall have sole discretion to approve or reject the Owner's Plans for any Lot or Future Lot, provided that Developer agrees to render any decision timely and in good faith.

Section 3.3 Ongoing Right to Approve. Developer's right to approve the Owner's Plans with respect to each Building and each Lot and Future Lot shall be ongoing, such that if Owner desires to materially modify the exterior structure, building footprint, or exterior aesthetic aspects of its Building, or if it wishes to demolish an existing Building and construct a new Building, it shall be required to comply with the provisions of this Article 3 before undertaking any such modifications, alterations, or reconstruction.

Section 3.4 Zoning Approvals. No Owner, Tenant or Permittee (other than the Developer) may (a) change the zoning of any portion of the North Development Property, (b) plat any of the North Development Property, or (c) seek any special exception, variance, or other approval from any applicable governmental authority without first obtaining Developer's advance written approval, which approval may be withheld in Developer's sole and absolute discretion.

Section 3.5 Remedies. The Owners hereby agree that there shall be no adequate remedy at law for the breach of this Article 3 and that Developer shall be entitled to seek injunctive relief or another equitable remedy, plus attorney fees, to stop construction which has not been properly authorized by Developer pursuant to the terms of this Article 3. Developer shall further have the right to seek any other available remedies at law or in equity.

Section 3.6 Exemption. Developer (and its affiliates), as the Owner of any portion of the North Development Property, shall be exempt from the requirements of this **Article 3** as to any Building or improvements to be constructed by it or its affiliates on such property; provided that any improvements shall conform with an integrated mixed use development.

ARTICLE 4
GENERAL CONSTRUCTION REQUIREMENTS

Section 4.1 “Construction” Defined. As used in this REA the word “construction” or “constructed” includes initial construction of Buildings under this REA and, except where otherwise specified, also includes subsequent construction, alterations, repair, rebuilding, demolition and razing carried on within the Development, but does not include interior structural and non-structural construction, repairs and alterations.

Section 4.2 Common Area Construction. Each Owner agrees to construct and complete the Common Areas and the Common Area Improvements with which it is charged with completion in accordance with the Approved Plan for their respective construction and this REA, as well as all other on and off-site improvements and facilities required by the City as a condition to the development of and construction upon its Lot. Nothing in this **Section 4.2** shall, however, prohibit two or more Owners from entering into cost sharing agreements with respect to Common Area Improvements.

Section 4.3 Construction Standards. Each Owner which performs work in the Development agrees to perform such work and to construct the Buildings and improvements to be constructed by it in a diligent, good and workmanlike manner with the use of first-class materials, in full cooperation with the other Owners to the extent necessary to effect an integrated development center, and in accordance with: (a) all applicable building and zoning laws and all other law, ordinances, orders, codes, rules, regulations, and requirements of all federal, state, municipal, public and governmental agencies and governments; (b) all applicable orders, rules and regulations of the National Board of Fire Underwriters or any other body now or hereafter constituted performing similar functions; and, (c) the terms, provisions and requirements of this REA and any other written agreements with any Owner hereto.

Section 4.4 Construction to Proceed in Reasonable Manner. Each Owner shall perform its construction in accordance with and subject to the provisions of this REA so as not to: unreasonably (a) interfere with any other construction being performed on the Development; or (b) unreasonably impair the use, occupancy or enjoyment of a Building or the Development by an Owner, Tenant or Permittee.

Section 4.5 Approval of Initial Construction, Storage Sites and Time Schedules. Before any Owner begins any construction, it shall submit to Developer for its review and approval, in accordance with **Section 3.2**: (a) a plot plan, as respects the site of the construction in question, material and equipment storage sites, construction shacks and other temporary improvements and worker's parking areas; and (b) a time schedule indicating the approximate length of time for completion of the improvements. Developer shall require such reasonable adjustments to the designated locations or time schedules contained in the above documents of each Owner as required, in order to prevent unnecessary conflicts in construction or interference with the Common Areas or activities of any Owner, Tenant or Permittee of the Development. Failure of the Developer to approve, reject or otherwise respond to an Owner's submission under this Section within thirty (30) days of its receipt of the submission shall be deemed an approval of the Owner's construction requests contained in the Owner's submission.

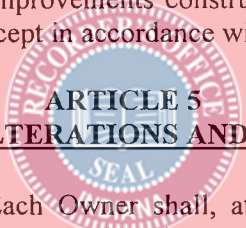
Section 4.6 Safety Matters: Indemnification. Each Owner shall: (a) take all safety measures reasonably required to protect Developer, the other Owner and their Permittees and Tenants and the property of each from injury or damage caused by or resulting from the performance of its

construction; (b) indemnify and hold the Developer and the other Owners harmless from all claims, costs, expenses, damages, liens, causes of action, and liabilities arising from the death of or accident, injury, loss or damage whatsoever caused to any natural person or to the property of any Person as occurs in the process of its construction (the foregoing indemnification does not apply where death, accident, injury, loss or damage is caused in whole or in part by the negligence or fault of the other Owner or its contractors); and (c) indemnify and hold the Developer and the other Owners harmless from and against all mechanics' and laborers' liens and all liabilities, liens, claims, damages, costs, expenses and causes of actions arising from such liens or its construction.

Section 4.7 Evidence of Compliance with Construction Requirements. Within sixty (60) days after it has completed any construction, each Owner shall deliver to Developer evidence that the construction has been completed in compliance with the Approved Plans as well as with all applicable laws, ordinances, rules and regulations. A Certificate of Occupancy (or the equivalent thereof) issued by the governmental body having jurisdiction thereof shall be deemed satisfactory evidence of compliance with the requirements of this Section pertaining to compliance with all applicable laws, ordinances, rules and regulations.

Section 4.8 Liens. Each Owner agrees that in the event any mechanic's lien or other statutory lien shall be filed during the term of this REA against the property of another Owner by reason of labor, services or materials supplied to or at the request of it pursuant to any construction on its property, or supplied to or at the request of a Tenant pursuant to any construction by a Tenant, it shall pay and discharge the same of record within thirty (30) days after the filing thereof; subject also to the provisions of the following sentence. Each such Owner shall have the right to contest the validity, amount or applicability of any such respective liens by appropriate legal proceedings, and so long as it shall furnish bond or indemnity or title insurance as hereinafter provided, and be prosecuting such contest in good faith, the requirement that it pay and discharge such liens within said thirty (30) day period shall not be applicable; so long as (i) within thirty (30) days after the filing thereof, such Owner shall bond or indemnify or provide title insurance against such liens to the other Owner; (ii) the failure to satisfy such lien does not place the other Owner in default under any loan secured by the other Owner's property or any lease of the other Owner's property; and (iii) such Owner shall indemnify and save harmless Developer, the other Owner and their respective lenders and Tenants from all loss, damage, liability, expense or claim whatsoever (including attorneys' fees and other costs of defending against the foregoing) resulting from the assertion of any such liens. In the event such legal proceedings shall be finally concluded (so that no further appeal may be taken) adversely to the Owner contesting such liens, such Owner, within twenty (20) days thereafter, shall cause the lien(s) to be discharged of record.

Section 4.9 Location of Buildings. Each of the Owners covenants and agrees with each other that no improvements, other than improvements constructed by Developer pursuant to **Article 2**, shall be erected or expanded on its Lot, except in accordance with the Approved Plans and this REA.



ARTICLE 5
MAINTENANCE, REPAIR, ALTERATIONS AND RESTORATION – GENERAL

Section 5.1 Maintenance. Each Owner shall, at its sole cost and expense, maintain its property and all Buildings on its property. As used in this Section 5.1 the term, “maintain” means that standard of maintenance expected within first-class mixed-use centers in the Northwest Indiana metropolitan area which includes senior housing and convalescence, multifamily, retail, office and general business uses and which at a minimum requires that each Owner promptly and conscientiously perform, without limiting the generality of the foregoing, the following tasks and such others as are proper:

- (a) Clean, inspect, wash, repair and replace all roof, window and door systems, exterior Store surfaces, columns, colonnades, canopies, overhangs, fascia and facades;
- (b) Clean, inspect, wash and maintain all truck loading zones, garbage collection areas, and refuse/dumpster facilities;
- (c) Keep all improvements in a sanitary condition and furnish necessary pest abatement controls;
- (d) Clean, inspect, maintain and operate those trade signs attached to its Building and situated on its property, including re-lamping and making repairs as required;
- (e) Clean, inspect, repair, repave (as necessary) and keep striped all driveways and parking lots;
- (f) Sweep and clean all sidewalks, whether or not a part of a Common Area; and
- (g) Comply with all commercially reasonable rules and regulations promulgated by Developer.

Section 5.2 Damage or Destruction of Buildings. If any part of a Building is damaged or destroyed by fire or any other cause and the Owner elects not to restore its Building, the Owner shall (a) raze such part thereof that has been damaged or destroyed and clear and keep the area maintained and free of all debris and (b) restore the balance of its Building to a structurally sound Building or raze the balance of its Building. If an Owner elects to rebuild its Building, it shall comply with the requirements as set forth in this REA with respect to initial construction.

Section 5.3 Miscellaneous Repairs and Alterations, Etc. Subject to the preceding Sections of this Article 5 and the other terms, provisions, restrictions and requirements of this REA, including Article 3, each Owner, at any time and from time to time, may make such repairs, alterations, reconstructions, replacements, substitutions and/or additions to its Building as it deems necessary or advisable under the circumstances.

Section 5.4 Failure to Perform. In the event that any Owner shall fail or refuse to perform any duty or comply with any other obligation under Articles 4 or 5, then Developer may at any time give a written notice specifying such failure. The defaulting Owner shall have ten (10) business days to cure such default unless such defaults are such that they cannot be reasonably corrected within such time, in which case the defaulting Owner must commence the correction of such failures within the ten (10) business day period and diligently prosecute the same thereafter. If Owner fails to cure or to commence to cure within the relevant time period, Developer shall have the right to correct such failures, including the right to enter upon any Lot or Future Lot to correct such failures, and the defaulting Owner shall pay the costs incurred by Developer. The defaulting Owner shall reimburse Developer within thirty (30) days after receipt of an invoice from Developer and, if the defaulting Owner fails to pay within such time period, it shall incur interest in accordance with Section 15.6. Notwithstanding anything hereinabove contained to the contrary, in the event of an emergency situation, Developer may, with only such notice as the circumstances reasonably permit, cure any such default and, thereafter, shall be entitled to the benefits of this Section 5.4.

ARTICLE 6
COMMON AREAS -- OPERATION, MAINTENANCE, REPAIR AND RESTORATION

Section 6.1 Common Area. The Developer has made or may make available Common Areas and facilities within the Development for the use of all Owners, Tenants and Permittees, Lots and Future Lots which shall be subject to the control and management of the Developer. The Developer reserves the right to establish, modify and enforce reasonable rules and regulations with respect to the Common Areas and the use to be made thereof. Except as provided in **Section 6.4**, each Owner of any parcel or portion of the North Development Property shall be responsible for the maintenance of such Owner's lot and all improvements located thereon, including all landscaping and lawns, Common Area, and any Common Area Improvements located on its respective lot. Each Owner shall maintain such Owner's lot and improvements at its sole expense, and such maintenance shall extend to and include all structures, fixtures, equipment and appliances, each to be maintained in good condition and repair and in an attractive condition in keeping with the standards of maintenance throughout the North Development Property. All such maintenance and repairs shall conform to such maintenance and standards as may be promulgated from time to time by Developer in accordance with these covenants.

Section 6.2 General Common Area. Notwithstanding **Section 6.1**, each Owner of the Lots and Future Lots agrees to share all reasonable and customary costs to own, operate, maintain, replace and repair the General Common Area (including, without limitation, all insurance and any real estate taxes payable thereon (the "**Operating Costs**")) which is the responsibility of, and under the direction and control of, the Developer under **Section 6.4**. The Allocable Share of the General Common Area Operating Costs payable by an Owner of a Lot or Future Lot shall be chargeable in accordance with the percentage of the square footage of an Owner's lot bears in relation to the square footage of the lots in the Development benefitted by the Common Area for which they are being charged, without regard to whether all of such Lots or Future Lots are developed and occupied. Accordingly, for purposes of General Common Areas, the Allocable Share shall be a fraction, the numerator of which is the acreage of any Owner's Lot or Future Lot and the denominator of which shall be the acreage of the Development. As of the date hereof, the Allocable Share percentages for the General Common Areas are set forth on **Exhibit C** attached hereto and made a part hereof. Payment by an Owner for the General Common Area Operating Costs shall be made as set forth in **Section 6.6** herein.

Section 6.3 Limited Common Areas. Notwithstanding **Section 6.1**, each Owner of the Lots and Future Lots benefitted by a Limited Common Area agrees to share all reasonable and customary Operating Costs for Limited Common Areas which are the responsibility of, and under the direction and control of, the Developer or R2C under **Section 6.4**. For purposes of any Limited Common Areas, the Allocable Share shall be a fraction, the numerator of which is the acreage of any Owner's lot served by such Limited Common Area and the denominator of which shall be the acreage of all lots served by such Limited Common Area. As of the date hereof, the Allocable Share percentages for the Limited Common Area One through Limited Common Area Three are set forth on **Exhibits D-F**, respectively, each of which is attached hereto and made a part hereof. In the event expansion of Limited Common Area Two is necessitated by the development of the Lots or any portion of the Future Lots serviced by Limited Common Area Two, the cost of the expansion shall be allocated to those Lots which necessitate the expansion to accommodate their development and **Exhibit E** shall be adjusted accordingly. Payment by an Owner for the Limited Common Area Operating Costs shall be made as set forth in **Section 6.6** herein.

Section 6.4 General Operation and Maintenance Standards; Certain Responsibilities. In the operation, maintenance and repair of the General Common Area and Limited Common Areas, the Owner responsible therefor shall be obligated to maintain or cause same to be maintained, except as herein designated to the contrary, such facilities in good order, condition and repair in accordance with reasonable standards customarily used in first-class mixed use centers in the Northwest Indiana

metropolitan area. It is acknowledged that Limited Common Area Two and any General Common Area shall be maintained by Developer, and Limited Common Areas One and Three shall be maintained by R2C. Notwithstanding the foregoing, Developer may engage a third party to manage and Common Area, provided that any such management fees payable to such party shall be reasonable and customary. Likewise, R2C, with the consent of all Lot Owners, may engage a third party to manage Limited Common Areas One and Three, provided that any management fees payable to such party shall be reasonable and customary.

Section 6.5 Future Common Areas. Nothing contained herein shall be deemed to prohibit or otherwise restrict the creation of additional Common Areas subject to this REA.

Section 6.6 Payments of Allocable Share of Common Area Operating Cost. Each Owner shall pay to Developer in the case of the General Common Area and Limited Common Area Two; and to R2C in the case of Limited Common Areas One and Three; the Owner's Allocable Share of the applicable Common Area Operating Costs for each such respective Common Area. Each Owner shall, beginning on the first day of each calendar month, pay to Developer or R2C, as applicable, on account of that Owner's Allocable Share of the Common Area Operating Costs, an amount equal to one-twelfth (1/12) of said Owner's Allocable Share of the applicable Common Area Operating Costs for the calendar year, as reasonably determined and estimated by Developer or R2C on the basis of the actual Common Area Operating Cost to the extent available. Payments received under this **Section 6.6** may be comingled with the other funds of Developer (or R2C, as applicable) and shall not require the payment of interest.

Within ninety (90) days after the end of each calendar year, Developer and R2C shall give each applicable Owner a full, complete and itemized statement of the Common Area Operating Costs for such prior calendar year, certified by Developer or R2C, as applicable, as being true, correct and complete. If an Owner has paid more than its Allocable Share of the actual Common Area Operating Costs, Developer shall, concurrently with the furnishing of any statement, credit to that Owner the excess over its Allocable Share. If an Owner has paid less than its actual Allocable Share thereof for such period, then that Owner shall pay to Developer or R2C, as applicable, within forty five (45) days following the receipt of the statement, the deficiency in its Allocable Share. Developer and R2C shall maintain complete records accurately covering and reflecting all items affecting or entering into a determination of each Owner's Allocable Share of the Common Area Operating Cost for each calendar year.

Developer shall retain its books and records relating to Common Area Operating Costs for a period of three (3) years after the end of the calendar year to which such books and records apply and for so long thereafter as any dispute may exist between Developer or R2C and a Owner as to such Common Area Operating Costs. Any Owner shall have the right, upon fifteen (15) days notice to Developer or R2C, as applicable, to make an audit of the books and records with respect to Common Area Operating Costs. Such audit shall be made at that Owner's sole expense unless such audit discloses an overcharge in any calendar year to the auditing Owner in excess of five percent (5%) of the last annual Common Area Operating Costs, and in such event Developer or R2C, as applicable, shall pay the expense of said audit, not to exceed \$1,000.00. After any such audit proper adjustments, if necessary, shall be made to the Common Area Operating Costs for said calendar year.

In the event any Owner shall fail to pay its Allocable Share pursuant hereto, Developer or R2C as applicable, shall be entitled to file of record in the Office of the Recorder of Lake County, Indiana, a Notice of Lien as to such amount, affecting title to such delinquent Owner's lot, which lien shall be superior to all liens except those for real estate taxes and assessments, and the lien of a first priority mortgage of record. Such lien may be foreclosed in the same manner and to the same extent as if such were a mortgage under Indiana law or as otherwise permitted by applicable law.

Section 6.7 Assignment of Developer's Common Area Maintenance Duties. Developer shall have the right, without Owner consent, to transfer, assign or otherwise convey all or any part of their duties, responsibilities, obligations, and liabilities under **Article 6** (the “**Common Area Maintenance Duties**”) to any other Person, at any time including, without limitation, (a) another Owner; (b) an owners’ association in which all owners of the North Development Property shall be members; (c) to any entity that is a member of Developer or is owned by Developer or otherwise affiliated with Developer “**Affiliate**”), or (d) collaterally to any lender of Developer; provided that in the event of a transfer of the Common Area Maintenance Duties to any Person other than another Owner, an owner’s association, an Affiliate, or Developer’s lender, such Person shall have the ability to carry out such functions and shall have a property interest in the Beacon Hill North Property, the Phase 1 Property (as defined in **Section 13.3**) or the East Property (as defined in **Section 13.3**). Each Owner hereby consents to the creation of such an owners’ association. Developer shall deliver to the other Owners a copy of any instrument assigning, in whole or in part, its obligations hereunder, which instrument shall contain an express assumption by such Person of all the Common Area Maintenance Duties so assumed and which shall be recorded with the Lake County, Indiana Recorder’s Office. Upon recordation of such instrument, Developer shall be deemed released from the Common Area Maintenance Duties so assumed and which accrue thereafter under **Article 6**. R2C may likewise transfer, assign or other convey its Common Area Maintenance Duties but only to another Owner of the Lots with the consent of all Owners of such affected Lots.

Section 6.8 Limitation upon Developer and R2C's Liability. If there is a breach or default by Developer or R2C under this REA, the other Owners shall look solely to the equity interest of Developer or R2C, as applicable, in the Development and any rentals derived therefrom; provided, however, that Developer or R2C will be liable in the event of fraud or willful misconduct. In no event shall any judgment be sought or obtained against any individual Person comprising Developer or R2C.

ARTICLE 7
PARKING REQUIREMENTS

Section 7.1 No Cross-Parking. It is the intent of the Owners of the Lots and Future Lots that each such lot must be self-contained for parking, such that when the Building on each lot is completed, there shall be a number of legal parking spaces on said lot equal to no less than the number required by governmental authorities having jurisdiction over the Development; without use or consideration of parking spaces located in the Development outside said lot. In no event shall the Owner of any of Lot or Future Lot be permitted to seek a variance for the number of parking spaces required to be constructed or maintained upon the said Lot by applicable laws and regulations and/or governmental authorities without the written consent of Developer.

ARTICLE 8
RESTRICTIONS

Section 8.1 Limitation on Detrimental Characteristics. No use or operation will be made, conducted or permitted on any part of the Development which is expressly prohibited pursuant to the terms of this REA. Included among the uses or operations which are prohibited because they are so objectionable and would have a detrimental effect upon the general appearance of the Development and would conflict with the reasonable standards of appearance, maintenance and housekeeping required by this REA, are uses or operations which produce or are accompanied by the following characteristics, which list is not intended to be all inclusive:

- (a) Any noise, litter, odor, dust, fumes, glare, vibration or other activity which may constitute a public or private nuisance.

- (b) Any unusual firing, explosion or other damaging or dangerous hazards.
- (c) Any assembly, manufacturing, distillation, refining, smelting, industrial, agriculture, warehouse, drilling or mining operation.
- (d) Any trailer court, mobile home park, lot for sale of new or used motor vehicles, labor camp, junk yard, stock yard or animal raising operation (other than pet shops and veterinarians).
- (e) Any dumping, disposal, incineration or reduction of garbage or refuse other than the handling or reducing such waste if produced on the premises from authorized uses and if handled in a reasonably clean and sanitary manner.
- (f) Any use or operation inconsistent with or contrary to the requirements of applicable laws and ordinances.
- (g) Any use or operation which shall materially increase the fire hazard or fire insurance rating for the Development or any improvements from time to time located thereon above that which is generally accepted for a mixed use center in the Northwest Indiana metropolitan area.
- (h) Any use or operation which shall present a danger or hazard to the Development, or any portion thereof, the Parties, their successors and assigns, or the lessees, Tenants, employees, agents, customers, licensees, invitees, suppliers or concessionaires of all or any portion of the Development, but nothing contained in this subparagraph shall limit any drainage structure or detention pond on the Development.
- (i) Any trade, service, activity or purpose which is excessively noxious or offensive, or may be or become an annoyance or nuisance to the Development of any portion thereof by reason of unsightliness or excessive emission of odors, dust, fumes, smoke, liquid waste, noise, glare, vibration or radiation.

Section 8.2 General Use Restrictions.

- (a) No portion of the Development may be used or occupied for any of the following purposes, or for any use which is inconsistent with the operation of a first-class mixed use center in Northwest Indiana, including but not limited to the following:
 - (i) Adult entertainment center or book store (which are defined as any center or bookstore with at least twenty-five percent (25%) of its floor space dedicated to services or inventory the sale of which is prohibited to children under eighteen (18) years of age because it explicitly deals with or depicts violence or human sexuality).
 - (ii) Massage parlor.
 - (iii) Blood bank.
 - (iv) Pool hall or billiard parlor (which are defined as any hall or parlor with at least twenty-five percent (25%) of its floor space dedicated to the rental of pool or billiard tables).

- (v) Skating rink or roller blade facility.
- (vi) Night club, dance hall, discotheque, bar or tavern selling alcoholic beverages except if said sale is incidental to full service food sales for on-premises consumption.
- (vii) Off-track betting facility or bingo parlor.
- (viii) Auction house or flea market.
- (ix) Any use prohibited by any instrument recorded prior hereto which affects the North Development Property, including, without limitation, those use restrictions and covenants which affect the North Development Property set forth in that certain Use Restriction and Covenant (Certain Food Sales) dated June 3, 2005, and recorded June 23, 2005, as Instrument No. 2005-051744 in the Office of the Recorder of Lake County, Indiana.
- (x) Except on lot 15 of the Lots. A facility exclusively devoted to senior housing and senior convalescence.

(b) No Owner, Tenant or Permittee other than the Developer shall allow or permit any part of the Development to be used as a temporary or permanent bus stop, commuter parking area, truck park, or for any used other than for the parking of motor vehicles of the Owner of the lot and their respective customers, tenants, business invitees, employees and agents, without the written approval of Developer.

ARTICLE 9
INSURANCE AND INDEMNIFICATION

Section 9.1 **Duty to Insure During Construction.** Prior to commencing construction of any improvements within the Development, and at all times during any construction and/or alteration of any improvements on a Lot thereafter, the Owner thereof shall obtain and require its contractor(s) to obtain and thereafter maintain, at least the minimum coverage(s) set forth below which minimum coverage(s) may be increased from time to time by Developer as commercially reasonable, or as required by Developer's lender: (a) Workers' Compensation-statutory limits; (b) Employers' Liability-\$500,000.00/\$500,000.00/\$500,000.00; (c) Business Auto-\$1,000,000.00 (combined single limit basis); (d) Commercial General Liability-\$1,000,000.00 per occurrence and \$2,000,000.00 aggregate (combined single limit basis), including: (i) Bodily Injury/Property Damage; (ii) Independent Contractors' Liability; (iii) Business Auto; (iv) Products/Completed Operations Coverage (which shall be kept in effect for two (2) years after completion of all construction); (v) "XCU" Hazard Endorsement (if applicable); (vi) "Broad Form" Property Damage Endorsement; "Blanket Contractual Liability" Endorsement; and (vii) "Personal and Advertising Injury" Endorsement; and (viii) "Blanket Contractual Liability" Endorsement.

If any construction activity involves the use of another Owner's lot or any Common Area (which shall require such Owner's consent), then the Owner thereof shall be named as an additional insured and in any event, Developer shall be named as an additional insured upon the Future Lots and any applicable Common Area and R2C shall be named as an additional insured upon the Lots in Phase Two. If such insurance is cancelled or expires during construction, then the Owner performing construction shall immediately stop all work on or use of the other Owner's lot until either the required insurance is reinstated or replacement insurance obtained. Developer shall have the unilateral right, as part of its

approval of an Owner's plans under **Section 3**, to waive any of the foregoing insurance requirements without amendment hereto, so long as such waiver is in a writing signed by Developer.

Section 9.2 Duty to Carry Fire and Extended Coverage Insurance. Each Owner shall carry (or cause to be carried) a policy of fire and extended coverage insurance on its Building. The Insurance required by this **Section 9.2** shall be in an amount at least equal to the replacement cost (exclusive of cost of excavations, foundations and footings) of the improvements being insured and shall insure against loss or damage from causes that are from time to time included as covered risks under standard insurance industry practices within the classification of "difference in conditions coverage" and "broad form fire and extended coverage", and specifically against the following perils: fire, windstorm, hail, cyclone, tornado, riots, riot attending a strike, civil commotion, malicious mischief, vandalism, aircraft, vehicle, smoke damage and sprinkler leakage. Such insurance shall be carried by each Owner commencing with the start of construction by each and continuing so long as such Owner is the owner of a Lot or Future Lot.

Section 9.3 General Requirements for Insurance Policies. All insurance required by **Article 9** shall be procured from companies authorized to do business in the state where the Development is located and shall be rated by Best's Insurance Reports not less than A/X. All insurance may be provided under: (a) an individual policy covering this location; (b) a blanket policy or policies which includes other liabilities, properties and locations of such Owner; provided, however, that if such blanket commercial general liability insurance policy or policies contain a general policy aggregate of less than \$5,000,000.00 then such insuring Owner shall also maintain excess liability coverage necessary to establish a total liability insurance limit of \$5,000,000.00; (c) a policy with a deductible which does not exceed \$25,000.00. Further, the insurance required pursuant to **Section 9.1** shall include the following provisions:

(i) shall provide, that the policy may not be cancelled or materially reduced in amount or coverage without at least thirty (30) days' prior written notice by the insurer to each insured and to each additional insured; and

(ii) shall provide that an act or omission of one of the named insureds or additional insureds which would void or otherwise reduce coverage, shall not reduce or void the coverage as to the other named insureds and/or additional insureds.

Section 9.4 Indemnification by Parties. Each Owner (in this **Section 9.4** called the "Indemnitor") shall indemnify, defend and hold harmless Developer and each other Owner (in this **Section 9.4** called the "Indemnatee" and collectively "Indemnitees") against all liens, losses, damages, causes of action, claims, costs, expenses (including reasonable attorneys' fees) and liabilities (in this **Section 9.4** collectively called "Claims") caused by Indemnitor's negligence and arising from:

(a) The death of or any accident, occurrence, injury, loss or damage whatsoever caused to any natural person or to the property of any Persons as shall occur in or adjacent to the Development to the extent caused by the negligence or intentional misconduct of such Indemnitor or to the extent caused by the Indemnitor's breach of this REA; and

(b) Indemnatee(s) shall give Indemnitor notice of any suit or proceeding arising from any of the items specified in subparagraphs (a) and (b) above, and Indemnitor shall have the obligation to defend Indemnatee(s) in said suit or proceeding at Indemnitor's cost.

Section 9.5 Certificate of Insurance. Each Owner shall, at the request of Developer, promptly furnish Developer, certificates evidencing compliance with the insurance coverage requirements

of this Article 9. No Owner shall be required during any given one hundred eighty (180) day period to honor more than one such request.

Section 9.6 Waiver of Subrogation - Parties. Notwithstanding Section 9.4, to the full extent permitted by law, each Owner (in this Section 9.6 the “Releasing Owner”) hereby releases and waives for itself, and each Person claiming by, through or under it, each other Owner (in this Section 9.6 the “Released Owner”) from any liability for any loss or damage to all property of such Releasing Owner located upon any portion of the Development, to the extent such loss or damage is of the type generally covered by the insurance required to be maintained by it pursuant to this Article 9, irrespective either of any negligence on the part of the Released Owner which may have contributed to or caused such loss, or of the amount of such insurance required to be carried or actually carried. Each Owner agrees to use its best efforts to obtain, if needed, appropriate endorsements to its policies of insurance with respect to the foregoing release; provided, however, that failure to obtain such endorsements shall not affect the release hereinabove given.

ARTICLE 10 CONDEMNATION

Section 10.1 “Condemnation” and “Condemnation Date” Defined.

(a) “Condemnation” means (i) the taking of all or any part of the Development or the possession thereof under the power of eminent domain; or (ii) the voluntary sale of all or any part of a Owner's interest in the Development to any Person having the power of eminent domain, provided that all or any part of the Development is then under the threat of taking under the power of eminent domain.

(b) “Condemnation Date” means the date when possession of the condemned lot (or any part thereof) is taken by the condemning authority.

Section 10.2 Restoration upon Condemnation. If any part of the Building of a Owner is taken by condemnation and said Owner elects to reconstruct its Building, it shall comply with the requirements set forth in this REA with respect to initial construction. If said Owner elects not to reconstruct its Building, it shall raze the remainder thereof and clear and keep the area maintained and free of all debris.

Section 10.3 Other Conditions to Restoration. If Common Area or Common Area Improvements shall be taken by condemnation, Developer in the case of Pond A or any Future Lots, or R2C in the case of Limited Common Area shall restore the applicable Common Area and/or the Common Area Improvements, as the case may be, as nearly as possible to the condition thereof as existed immediately prior to such taking. In the event that the condemnation award is insufficient to fully reimburse Developer or R2C for its restoration costs, then the Owners of the affected Lots or Future Lots benefitted thereby shall, upon receipt of an invoice from Developer or R2C, reimburse Developer or R2C for their prorata share of the difference between the condemnation award and the reasonable costs of restoration, based upon the same ratios as used to calculate Allocable Share in Article 6.

Section 10.4 Waiver of Award. In the event property is taken by condemnation, each Owner waives, in favor of the Owner whose property is taken by condemnation, any value of the condemnation award attributable to any easements a Owner holds in the property of such other Owner. However, a waiver under this Section shall not preclude the holder of any interest in another Lot from claiming and collecting from the condemning authority other severance and consequential damages to its own Lot resulting from the taking of the condemned portion of the other Lot.

Section 10.5 No Termination of Easements. Nothing in this **Article 10** shall effect the existence of the easements granted under **Article 2** hereof, except to the extent such easements burden the land taken by condemnation.

ARTICLE 11
REAL ESTATE TAXES

Section 11.1 Each Owner shall pay all real estate taxes and assessments attributable to its Lots or Future Lots on or before the time the same become due and payable (subject to each Owner's right to make payment under protest). The real estate taxes and assessments assessed on any Common Area owned by Developer may be assessed as a cost of operation and maintenance in such amount and proportions as set forth in **Article 6** payable by the Owners.

ARTICLE 12
NOTICES AND APPROVALS

Section 12.1 Notice to Owners. Each notice, demand, request, consent, approval, disapproval, designation or other communication (all of the foregoing are herein referred to as a “notice”) that an Owner may or is required to give or make or communicate to another Owner shall be in writing and shall be given or made or communicated by overnight mail with a nationally recognized courier service, with a requirement for a signed receipt of delivery.

Developer (as to the Future Lots):

KRG/I-65 Partners Beacon Hill, LLC
c/o Kite Realty Group
30 S. Meridian, Suite 1100
Indianapolis, Indiana 46204
Attn: Vice President of Property Operations

With a duplicate to:

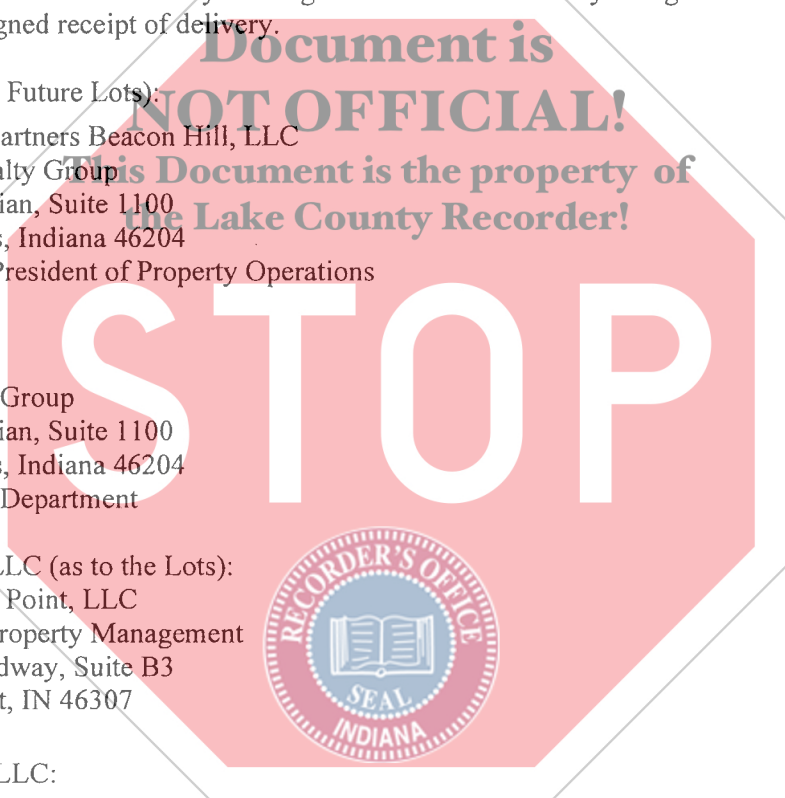
Kite Realty Group
30 S. Meridian, Suite 1100
Indianapolis, Indiana 46204
Attn: Legal Department

R2C Crown Point, LLC (as to the Lots):

R2C Crown Point, LLC
c/o Cross Property Management
11051 Broadway, Suite B3
Crown Point, IN 46307

NHI-Bickford RE, LLC:

NHI-Bickford RE, LLC
13795 S. Mur-Len
Olathe, KS 66062
Attn: Brian Heinrichs



To change a notice address, Owner shall promptly provide written notice to all other Owners. Unless specifically stated to the contrary elsewhere in this REA, any notice shall be deemed to have been given, made or communicated, as the case may be, one business day after deposit with a nationally recognized courier for overnight delivery.

Section 12.2 Form and Effect of Notice to Developer. Every notice given to a Developer must state (or must be accompanied by a cover letter that states) (a) the Section of this REA pursuant to which the notice is given; (b) the period of time within which Developer must respond thereto, or if no response is required, a statement to that effect; and (c) if specifically allowed or permitted by this REA, that the failure to object to the notice within a stated time period will be deemed to be the equivalent of Developer's approval of or consent to the subject matter of the notice. In no event shall Developer's approval of or consent to the subject matter of a notice be deemed to have been given by its failure to object thereto if such notice (or the accompanying cover letter) did not fully comply with the requirements of **Section 12.2.** immediately preceding.

Section 12.3 Time and Form of Approvals. Wherever in this REA approval of Developer or another Owner is required, and unless a different time limit is provided herein, such approval or disapproval shall be given in writing within thirty (30) days following the receipt of the item to be so approved or disapproved or the same shall be conclusively deemed to have been approved by such Owner. Any disapproval which requires objective reasonableness shall specify with particularity the reasons therefore. The item to be so approved shall be clearly marked (or shall be accompanied by a cover letter which is clearly marked) "Request for Approval" and indicate the Section of this REA under which approval is required. Wherever in this REA a lesser period of time for approval or disapproval is provided for than the thirty (30) day period specified in this **Section 12.3,** such a lesser time limit shall not be applicable unless the notice to the Owner whose consent, approval or disapproval is required contains a specific statement of the period of time within which such Owner shall act. Failure to specify such times shall not invalidate the notice but simply shall require the action of such Owner to be taken within thirty (30).

ARTICLE 13
AMENDMENT

Section 13.1 General. This REA, this REA may be amended or otherwise modified only by a writing signed and acknowledged by sixty-five percent (65%) of the Owners (calculated on an acreage basis) and recorded in the Office of the Recorder of Lake County, Indiana. No amendment or other modification of this REA shall require any consent or approval on the part of any Tenant or Permittee of any Owner. Any such amendment shall be recorded in the Office of the Recorder of Lake County, Indiana.

Section 13.2 Limited Common Area. An amendment of a Limited Common Area which affects only a limited number of Owners may be accomplished by a writing signed and acknowledged by Developer and only those Owners affected by the Limited Common Area being amended. Any such amendment shall be recorded in the Office of the Recorder of Lake County, Indiana.

Section 13.3 Developer Amendment. In addition to specific amendment rights granted elsewhere in this REA, so long as Developer owns any portion of the North Development Property or any land burdened by that certain Amended and Restated Beacon Hill Retail Center (Phase One) Declaration of Reciprocal Easements and Operating Covenants dated September 22, 2005, and recorded September 26, 2005, as Instrument No. 2005-084398 in the Office of the Recorder of Lake County, Indiana (as amended, the "Phase 1 Property"), or any property located immediately east of the Phase 1 Property ("East Development Property"), the Developer may unilaterally amend this REA without the consent of

any other Owner for any purpose (including, without limitation, amending this REA to (i) add to the North Development Property any adjacent real estate or the East Development Property, or (ii) remove any portion of the North Development Property herefrom); provided such amendment shall not, without the consent of the Owner of Lot 15, modify **Section 8.2(x)** hereof. Thereafter, the Developer may unilaterally amend this REA if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans to make, purchase, insure, or guarantee mortgage loans on the Lots; (d) to satisfy the requirements of any local, state, or federal governmental agency; or (e) to address any typographic error or omission or to change any other term or provision which does not materially affect any right or obligation of any Owner.

ARTICLE 14
EXPIRATION DATE

Section 14.1 The covenants and restrictions of this REA shall run with and bind the North Development Property and shall inure to the benefit of and be enforceable by Developer or any Owner for a period of seventy-five (75) years from the date of recordation. Thereafter, the covenants and restrictions shall be automatically extended for additional periods of ten (10) years each, unless otherwise terminated or modified by amendment by hereinafter provided.

ARTICLE 15
MISCELLANEOUS

Section 15.1 **Partition Prohibited.** There shall be no partition of any portion of the North Development Property or part thereof from the provisions of this REA.

Section 15.2 **Captions.** The captions of this REA are inserted only as a matter of convenience and for reference. They do not define, limit or describe the scope or intent of this REA and they shall not affect the interpretation hereof.

Section 15.3 **Locative Adverbs.** The locative adverbs "herein", "hereunder", "hereto", "hereby", "hereinafter", etc., and the words, whenever the same appear herein, mean and refer to this REA in its entirety and not to any specific Article, Section or Subsection hereof unless the context expressly provides otherwise.

Section 15.4 **REA for Exclusive Benefit of Owners.** The provisions of this REA are for the exclusive benefit of and shall be enforceable by the Developer, the Owners, their successors and assigns, and not for the benefit of any third person. This REA shall not be deemed to have conferred any rights upon any third person and there shall not be any third party beneficiaries hereof, as expressly set forth herein.

Section 15.5 **Waiver of Default.** A waiver of any default by a Owner must be in writing and no such waiver shall be implied from any omission by a Owner to take any action in respect of such default. No express written waiver of any default shall affect any default or cover any period of time other than the default and period of time specified in such express waiver. One or more written waivers of any default in the performance of any provision of this REA shall not be deemed to be a waiver of any subsequent default in the performance of the same provision or any other term or provision contained herein. The consent or approval by a Owner to or of any act or request by another Owner requiring consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar acts or requests. The rights and remedies given to a Owner by this REA shall be

deemed to be cumulative and no one of such rights and remedies shall be exclusive of any of the others, or of any other right or remedy at law or in equity which a Owner might otherwise have by virtue of a default under this REA, and the exercise of one such right or remedy by a Owner shall not impair such Owner's standing to exercise any other right or remedy.

Section 15.6 Payment on Default. If by reason of another Owner's failure or inability to perform any of the provisions of this REA to be performed by such other Owner, Developer or an Owner is compelled (or elects, if such failure or inability to perform shall continue for a period of thirty (30) days after notice specifying such default (or such longer period as may be required to cure such default in the case of a default not capable of being cured within thirty (30) days, provided that the defaulting Owner has commenced the curing of such default within such period and thereafter proceeds diligently with such curing)) to pay any sum of money or do any acts that require the payment of money, the defaulting Owner shall promptly upon demand reimburse Developer or the paying Owner (as applicable) for such sums, and all such sums shall bear interest at the rate of ten percent (10%) per annum, from the date of expenditure until the date of such reimbursement. Any other sums payable by any Owner to Developer or another Owner under this REA that shall not be paid when due shall bear interest at the rate established by this **Section 15.6** from the due date of payment thereof.

Section 15.7 No Partnership, Joint Venture or Principal-Agent Relationship. Neither anything in this REA nor any acts of the Owners shall be deemed by the Owners or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between the Owners, and no provision of this REA is intended to create or constitute any person a third party beneficiary hereof as expressly set forth herein.

Section 15.8 Severability. If any provision of this REA shall, to any extent, be invalid or unenforceable, the remainder of this REA (or the application of such provision to Persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each provision of this REA shall be valid and enforceable to the fullest extent permitted by law.

Section 15.9 Governing Law. This REA shall be construed and governed in accordance with the laws of Indiana.

Section 15.10 Dedication Nothing herein contained shall be deemed to be a gift or dedication of any part of the Development to the general public, or for the general public or for any public purpose whatsoever, it being the intention of the Owners that this REA shall be strictly limited to and for the purposes herein expressed. An Owner shall not dedicate any part of its Lot for public purposes without the consent of the Developer. Developer may close all or a part of the Common Area from time to time to such extent as is reasonable in the opinion of the Developer's legal counsel to prevent a dedication thereof or the accrual of rights of any person or of the public therein. Nothing set forth herein shall, however, prevent or prohibit the dedication of roads and easements by recorded plats approved by Developer in accordance with **Section 3.4**.

Section 15.11 Written Consent Required. Whenever any Person is requested to consent or to approve of any matter with respect to which its consent or approval is required by this REA, such consent or approval shall be given in writing, and shall (except as otherwise provided in this REA) not be unreasonably withheld, conditioned or delayed.

Section 15.12 Covenants Run with the Land. It is intended that the covenants, easements, agreements, promises and duties of each Owner set forth in this REA shall be construed as covenants and not as conditions, and that, to the fullest extent legally possible, all such covenants shall run with the land

or constitute equitable servitudes as between the Owners of the respective covenantor, as the servient tenement, and the lot of the respective covenantee, as the dominant tenement. Unless the context indicates otherwise, every covenant, easement, agreement and promise of each Owner as set forth in this REA shall be deemed a covenant, easement, agreement and promise made for the benefit of the other Owner and every duty of each Owner as set forth in this REA shall be deemed to run to and for the benefit of the other Owner.

Section 15.13 Rules for Development. Each Owner shall observe and shall use its diligent efforts to cause its Tenants and Permittees to observe such reasonable and non-discriminatory rules relating to the Development as may be adopted from time to time by Developer.

Section 15.14 Termination of REA Except as otherwise specifically provided by this REA, no default under this REA shall entitle any Owner to cancel or otherwise rescind this REA; provided, however, that this limitation shall not affect any other rights or remedies that the Owners may be by reason of any default under this REA. In the event of a permitted termination hereunder, each Owner agrees to deliver to, or exchange with the other, an instrument in recordable form legally sufficient for such purpose.

Section 15.15 Right to Enjoin. In the event of any violation or threatened violation of any of the provisions of this REA by an Owner, Developer and each other Owner shall have the right to apply to a court of competent jurisdiction for an injunction against such violation or threatened violation.

Section 15.16 Rights, Privileges, and Easements with Respect to Liens. This REA and the rights, privileges and easements of the Owners with respect to each other Owner and the lots of each other Owner shall in all events be superior and senior to any lien placed upon any lots, including the lien of any mortgages or trust deeds. Any amendment or modification hereof, whenever made, shall be deemed superior and senior to any and all liens, including the lien of mortgages and trust deeds, the same as if the same had been executed concurrently herewith. Nothing in this REA contained shall be construed to interfere with or prohibit any Owner from mortgaging its lot or part thereof; provided, however, that any such mortgage shall, without the need for execution of further instruments, be junior and subordinate in all respects to this REA and to any amendments hereto regardless of when recorded.

Section 15.17 Conformity to Law. In the event an Owner receives a notice from any governmental agency or authority to the effect that the Owner so notified is in violation of any governmental order, regulation or requirement in respect of the operation of any part of the Development, the Owner so receiving such notice shall promptly transmit copies thereof to the Developer. Each Owner, at its sole expense, shall promptly comply or cause compliance with all laws and governmental orders, regulations or requirements (hereinafter called "Laws") which may at any time be applicable to the Buildings on its Lot or Future Lot. Any Owner shall have the right, after prior notice to the other Owners, to contest by appropriate legal or administrative proceedings diligently conducted in good faith, the validity or application of any of the Laws and may delay compliance therewith until a final decision has been rendered in such proceedings and appeal therefrom is no longer possible, provided such delay shall not subject Developer or any Owner to any criminal liability or render the Development or any part thereof liable to forfeiture, involuntary sale or loss, result in involuntary closing of the businesses conducted thereon or subject the other Owners to criminal liability.

Section 15.18 Estoppel Certificate. Each Owner and the Developer agrees that upon the written request of any other Owner or the Developer, an estoppel certificate shall be issued, stating to the best of the issuer's knowledge that as of such date: (a) whether it knows of any default under this REA by the requesting Person, and if there are known defaults, specifying the nature thereof; (b) whether this REA has been assigned, modified or amended in any way by it and if so, then stating the nature thereof;

and (c) whether this REA is in full force and effect. Such statement shall act as a waiver of any claim by the Person furnishing it to the extent such claim is based upon facts contrary to those asserted in the statement and to the extent the claim is asserted against a bona fide encumbrancer or purchaser for value without knowledge of facts to the contrary of those contained in the statement, and who has acted in reasonable reliance upon the statement. Notwithstanding anything to the contrary, the issuance of an estoppel certificate shall in no event subject the Person furnishing it to any liability whatsoever, notwithstanding the negligent or otherwise inadvertent failure of such Person to disclose correct and/or relevant information.

Section 15.19 Force Majeure. Notwithstanding anything contained in this REA, each Owner shall be excused from performing any obligation under this REA, and any delay in the performance of any obligation (except the obligation to pay money when due) under this REA shall be excused, if and so long as the performance of the obligation is prevented, delayed or otherwise hindered by acts of God, fire, earthquake, floods, explosion, extreme or unusual weather conditions, actions of the elements, war, riots, mob violence, inability to procure or a general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, actions of labor unions, litigation concerning zoning or building permits, court orders, laws or orders of governmental or military authorities or any other cause, whether similar or dissimilar to the foregoing, not within the control of such Owner (other than lack of or inability to procure monies to fulfill its commitments and obligations under this REA). Notwithstanding the foregoing, the provisions of this **Section 15.19** shall at no time operate to excuse any Owner from any obligation for the payment of monies herein required to be paid, and all such amounts shall be paid when due.

Section 15.20 Authority. Each person executing this REA on behalf of an Owner represents and warrants to the other Owners that such entity is a duly authorized and existing limited liability company organized under the laws of the State of Indiana or the State of Kansas, and that each Owner has full right and authority to execute, deliver and record this REA, and that each person signing on behalf of an Owner is authorized to do so.

Section 15.21 Indemnities. All indemnities in this Agreement shall be limited to direct loss or liability and shall not include consequential, punitive or indirect damages.

IN WITNESS WHEREOF, the undersigned hereto have executed and delivered this REA as of the day and year first written above.

KRG/I-65 PARTNERS BEACON HILL, LLC

By: KRG Beacon Hill, LLC, Manager

By: Kite Realty Group, L.P., Member

By: Kite Realty Group Trust, General Partner

By: *Daniel R. Sink* *WKS*

Printed: Daniel R. Sink

Title: CEO

STATE OF INDIANA)
)SS:
COUNTY OF Marion)

Before me, a Notary Public in and for said County and State, personally appeared Daniel R. Sink, known to me to be the CFO of Kite Realty Group Trust, the General Partner of Kite Realty Group, L.P., a Member of KRG Beacon Hill, LLC, the Manager of KRG/I-65 Partners Beacon Hill, LLC, an Indiana limited liability company, and acknowledged the execution of the foregoing for and on behalf of said limited liability company.

Witness my hand and Notarial Seal, this 25th day of June, 2012.



Sarah E. Kuester
#553566
Hamilton County
My Commission Expires on:
September 11, 2014

S E Kuester
Notary Public - Signature

Sarah E Kuester
Notary Public - Printed

My Commission Expires:

9/11/14

My County of Residence:

Hamilton



R2C Crown Point, LLC, an Indiana limited liability company

By: Bob Rossman

Printed: Bob Rossman

Title: mgr. member

STATE OF INDIANA)
)SS:
COUNTY OF Lake)

Before me, a Notary Public in and for said County and State, personally appeared Robert Rossman, known to me to be the Mgr Member of R2C Crown Point, LLC, an Indiana limited liability company, and acknowledged the execution of the foregoing for and on behalf of said limited liability company.

Witness my hand and Notarial Seal, this 27 day of July, 2012.



E Porterfield
Notary Public - Signature

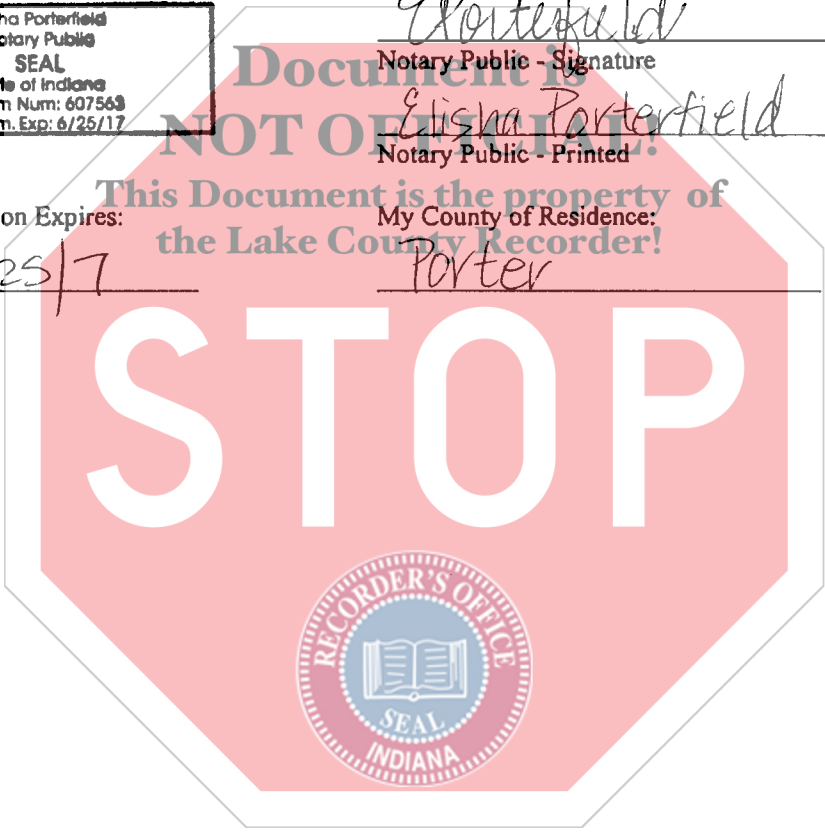
Elisha Porterfield
Notary Public - Printed

My Commission Expires:

6/25/17

My County of Residence:

Porter



NHI Bickford RE, LLC, a Delaware limited liability company

By: _____

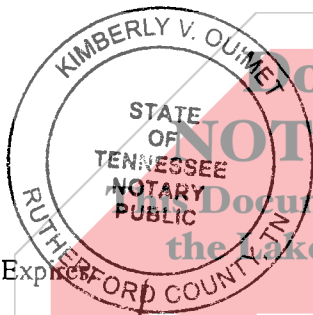
Printed: J. Justin Hutchens

Title: President

STATE OF Tennessee)
)SS:
COUNTY OF Rutherford)

Before me, a Notary Public in and for said County and State, personally appeared J. Justin Hutchens, known to me to be the President of NHI Bickford RE, LLC, a Delaware limited liability company, and acknowledged the execution of the foregoing for and on behalf of said limited liability company.

Witness my hand and Notarial Seal, this 30th day of July, 2012.



Kimberly V. Ouimet
Notary Public - Signature

Kimberly V. Ouimet
Notary Public - Printed

My Commission Expires October 20, 2014

My County of Residence: Rutherford

I affirm under the penalties of perjury, that I have taken reasonable care to redact each Social Security Number in this document, unless required by law. Donald E. Williams

This instrument prepared by Donald E. Williams, Attorney-at-Law Barnes & Thornburg LLP, 11 South Meridian Street, Indianapolis, Indiana 46204



EXHIBIT A

Legal Description of North Development Property

PART OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 34 NORTH, RANGE 8 WEST OF THE SECOND PRINCIPAL MERIDIAN, LAKE COUNTY, INDIANA, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 3 MARKED BY A BRASS PLUG IN CONCRETE; THENCE NORTH 00 DEGREES 33 MINUTES 01 SECOND WEST, 1,381.00 FEET ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER; THENCE NORTH 89 DEGREES 32 MINUTES 03 SECONDS EAST, 48.19 FEET TO THE EAST LINE OF BROADWAY; THENCE NORTH 00 DEGREES 47 MINUTES 14 SECONDS WEST, 36.65 FEET ALONG SAID EAST LINE TO THE POINT OF BEGINNING; THENCE SOUTH 44 DEGREES 45 MINUTES 11 SECONDS EAST, 51.19 FEET; THENCE NORTH 89 DEGREES 32 MINUTES 03 SECONDS EAST, 553.17 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 440.00 FEET AND A CHORD THAT BEARS SOUTH 70 DEGREES 49 MINUTES 02 SECONDS EAST, 289.47 FEET; THENCE SOUTHEASTERLY 294.96 FEET ALONG SAID CURVE TO THE CENTER LINE OF BEAVER DAM DITCH LATERAL NUMBER ONE; THENCE ALONG SAID CENTER LINE APPROXIMATED BY THE FOLLOWING FIVE MEANDER COURSES:

- 1.) NORTH 09 DEGREES 53 MINUTES 11 SECONDS WEST, 81.87 FEET;
- 2.) NORTH 48 DEGREES 15 MINUTES 02 SECONDS EAST, 91.38 FEET;
- 3.) NORTH 58 DEGREES 07 MINUTES 42 SECONDS EAST, 78.84 FEET;
- 4.) NORTH 74 DEGREES 11 MINUTES 03 SECONDS EAST, 69.97 FEET;
- 5.) NORTH 88 DEGREES 13 MINUTES 10 SECONDS EAST, 225.65 FEET TO THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SOUTHWEST QUARTER; THENCE NORTH 00 DEGREES 35 MINUTES 08 SECONDS WEST, 1167.35 FEET ALONG SAID EAST LINE OF SAID NORTHWEST QUARTER TO THE NORTH LINE OF SAID SOUTHWEST QUARTER; THENCE SOUTH 89 DEGREES 37 MINUTES 25 SECONDS WEST, 1262.15 FEET ALONG SAID NORTH LINE TO SAID EAST LINE OF BROADWAY; THENCE THE FOLLOWING FOUR COURSES ALONG SAID EAST LINE OF BROADWAY:

- 1.) SOUTH 00 DEGREES 44 MINUTES 10 SECONDS EAST, 81.71 FEET;
- 2.) SOUTH 21 DEGREES 03 MINUTES 52 SECONDS WEST, 53.36 FEET;
- 3.) SOUTH 00 DEGREES 50 MINUTES 22 SECONDS EAST, 449.01 FEET;
- 4.) SOUTH 00 DEGREES 47 MINUTES 14 SECONDS EAST, 660.86 FEET TO THE POINT OF BEGINNING, CONTAINING 36.81 ACRES MORE OR LESS.



EXHIBIT B-1

Depiction of Lots

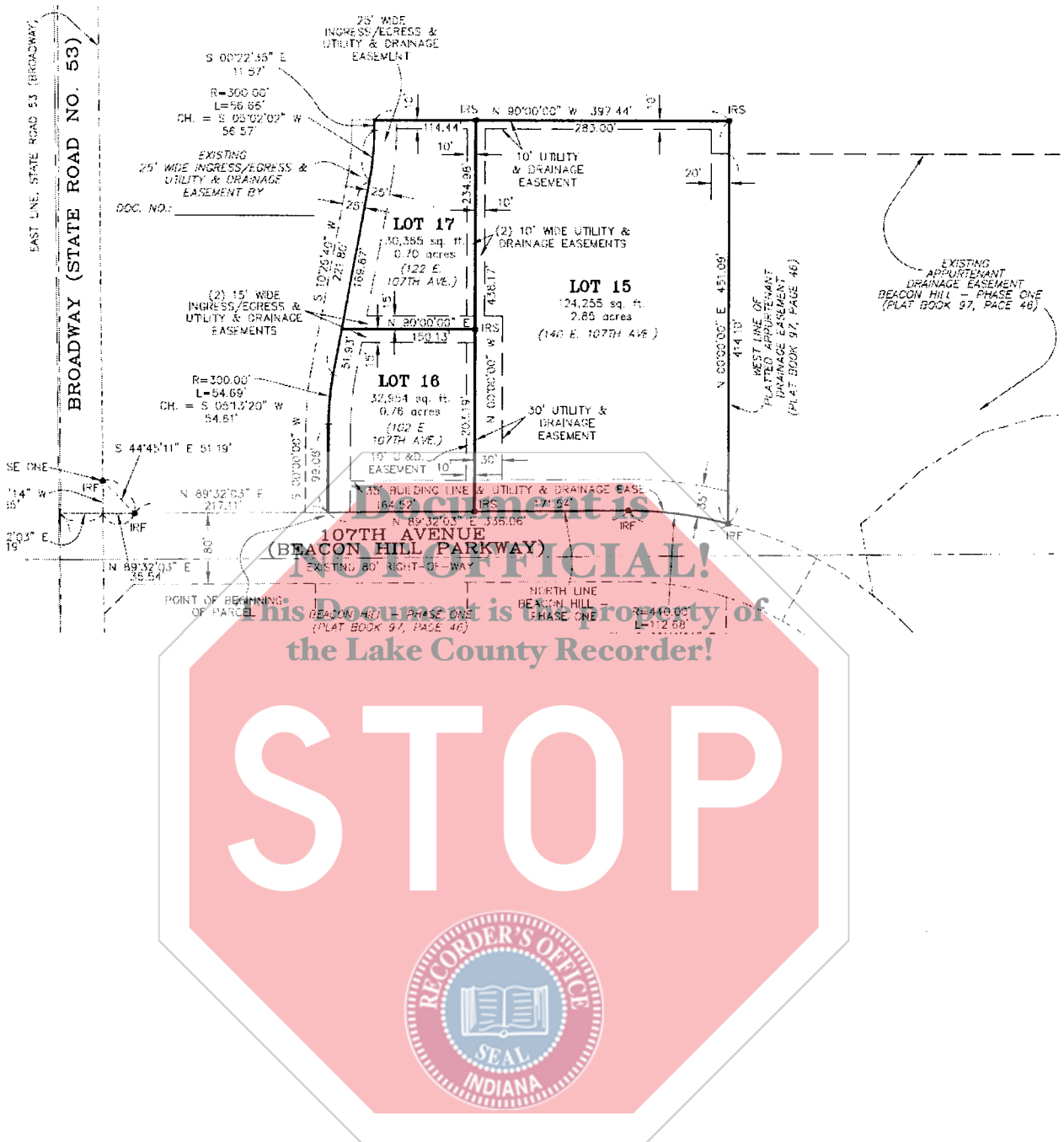
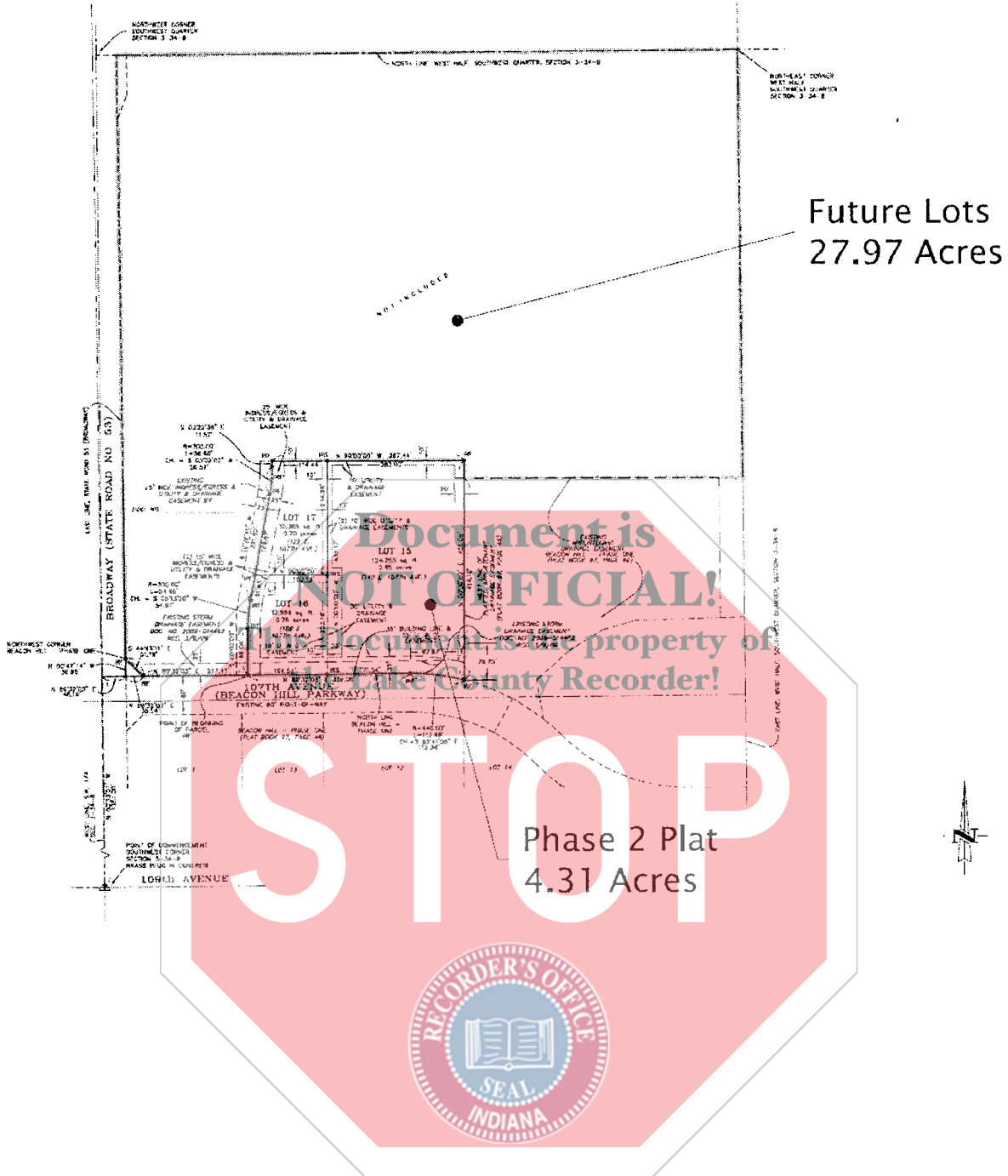


Exhibit B-1

EXHIBIT B-2

Depiction of Future Lots, Lots and Pond A



Future Lots
27.97 Acres

Phase 2 Plat
4.31 Acres

EXHIBIT C

**R2C Crown Point, LLC
Beacon Hill Phase 2 Subdivision
Declaration of Reciprocal Easements and Operating Covenants
Common Area Allocable Share Assessment Schedule**

General Common Area - Exhibit C		
Provides for Access Roadway from 107th Avenue north to Lots 15, 16 & 17 and Future Lots Affects Lots 15, 16 & 17 of the Beacon Hill Phase 2 Subdivision and Future Lots		
	<u>Lot Area</u>	<u>Lot Area as a % of Total Lot Area</u>
Lot 15	2.85	8.83%
Lot 16	0.76	2.35%
Lot 17	0.7	2.17%
Future Lots	27.97	86.65%
Total Lot Area	32.28	100.00%



EXHIBIT D

R2C Crown Point, LLC
Beacon Hill Phase 2 Subdivision
Declaration of Reciprocal Easements and Operating Covenants
Common Area Allocable Share Assessment Schedule

Limited Common Area One - Access & Sewer Utilities - Exhibit D		
Affects Lots 15, 16 & 17 of the Beacon Hill Phase 2 Subdivision		
Provides for Sanitary Sewer O&M to Lots 15, 16 & 17		
Provides for Storm Sewer O&M to Lots 15, 16 & 17		
Provide for Roadway O&M between Lots 16 & 17		
	<u>Lot Area</u>	<u>Lot Area as a % of Total Lot Area</u>
Lot 15	2.85	66.13%
Lot 16	0.76	17.63%
Lot 17	0.7	16.24%
Total Lot Area	4.31	100.00%



EXHIBIT E

R2C Crown Point, LLC
Beacon Hill Phase 2 Subdivision
Declaration of Reciprocal Easements and Operating Covenants
Common Area Allocable Share Assessment Schedule

Limited Common Area Two - Storm Water Management Pond - Exhibit E		
Affects Lots 15, 16 & 17 of the Beacon Hill Phase 2 Subdivision and the Future Lots West & North Tributary to the Pond Storm Water Management Pond O&M for all lots tributary to the Pond		
	Lot Area	Lot Area as a % of Total Lot Area
Lot 15	2.85	16.47%
Lot 16	0.76	4.39%
Lot 17	0.7	4.05%
Future Lots	12.99	75.09%
Total Area	17.3	100.00%



Exhibit E

EXHIBIT.F

R2C Crown Point, LLC
Beacon Hill Phase 2 Subdivision
Declaration of Reciprocal Easements and Operating Covenants
Common Area Allocable Share Assessment Schedule

Limited Common Area Three - Water Main - Exhibit F		
Affects Lots 16 & 17 of the Beacon Hill Phase 2 Subdivision		
Provides for Water Main O&M		
	Lot Area	Lot Area as a % of Total Lot Area
Lot 16	0.76	52.05%
Lot 17	0.7	47.95%
Total Lot Area	1.46	100.00%



INDS01 DEW 1335699v8

Exhibit F